

SECOND DAY, JANUARY 13, 2015

2015 REGULAR SESSION

SECOND DAY**MORNING SESSION**

Senate Chamber, Olympia, Tuesday, January 13, 2015

The Senate was called to order at 11:30 a.m. by President Owen. The Secretary called the roll and announced to the President that all Senators were present with the exception of Senators Hewitt, Pearson and Roach.

MOTION

On motion of Senator Fain, the reading of the Journal of the previous day was dispensed with and it was approved.

MOTION

On motion of Senator Fain, the Senate advanced to the fourth order of business.

MESSAGE FROM THE HOUSE

January 13, 2015

MR. PRESIDENT:

The Speaker has signed:

HOUSE CONCURRENT RESOLUTION NO. 4400,

HOUSE CONCURRENT RESOLUTION NO. 4402.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Fain, the Senate advanced to the fifth order of business.

INTRODUCTION AND FIRST READING

SB 5065 by Senators Frockt, Liias, McCoy, Jayapal, Keiser, Litzow, Pedersen, Darneille, McAuliffe, Hasegawa, Ranker, Billig, Kohl-Welles and Fain

AN ACT Relating to improving educational outcomes for homeless students through increased in-school guidance supports, housing stability, and identification services; amending RCW 28A.150.260, 28A.150.260, and 28A.300.540; adding a new section to chapter 43.185C RCW; creating new sections; and providing an effective date.

Referred to Committee on Early Learning & K-12 Education.

SB 5066 by Senators Padden and Darneille

AN ACT Relating to the collection of blood samples for forensic testing; amending RCW 46.61.506 and 46.61.508; adding a new section to chapter 18.130 RCW; adding a new section to chapter 43.70 RCW; and adding a new section to chapter 46.04 RCW.

Referred to Committee on Law & Justice.

SB 5067 by Senators Padden and Darneille

AN ACT Relating to informant and accomplice evidence and testimony; adding new sections to chapter 10.58 RCW; and creating a new section.

Referred to Committee on Law & Justice.

SB 5068 by Senators Pearson, Mullet and Fraser

AN ACT Relating to signage advertising free coffee at safety rest areas; adding a new section to chapter 47.42 RCW; and creating a new section.

Referred to Committee on Transportation.

SB 5069 by Senators Pearson, Warnick and Hewitt

AN ACT Relating to unlawful possession of instruments of financial fraud; amending RCW 9A.56.320; creating a new section; prescribing penalties; and providing an effective date.

Referred to Committee on Law & Justice.

SB 5070 by Senators Pearson, Warnick, Dammeier, Kohl-Welles and Brown

AN ACT Relating to the supervision of domestic violence offenders; and amending RCW 9.94A.501.

Referred to Committee on Law & Justice.

SB 5071 by Senator Honeyford

AN ACT Relating to resident curators of state properties; adding a new section to chapter 43.19 RCW; and creating a new section.

Referred to Committee on Government Operations & State Security.

SB 5072 by Senator Honeyford

AN ACT Relating to the crime of failing to summon assistance; amending RCW 9A.36.160; repealing RCW 9A.36.161; and prescribing penalties.

Referred to Committee on Law & Justice.

SB 5073 by Senators Roach and Liias

AN ACT Relating to nonsubstantive updates and realignments of the statutory responsibilities of the office of financial management; amending RCW 43.82.055, 43.82.150, 43.88.160, 47.64.170, 47.64.360, 79.44.060, 28A.345.060, 34.05.030, 34.12.100, 41.04.665, 41.04.680, 41.06.157, 41.06.167, 42.17A.705, 41.80.020, 43.03.040, 43.06.013, 43.41.113, 43.131.090, 48.37.060, and 49.74.020; reenacting and amending RCW 41.04.340 and 41.06.020; adding new sections to chapter 43.19 RCW; recodifying RCW 43.41.130, 43.41.140, 43.41.150, 43.41.370, and 43.41.380; and repealing RCW 43.41.190 and 43.41.195.

Referred to Committee on Government Operations & State Security.

SB 5074 by Senators Bailey, Conway, Benton and Hobbs

AN ACT Relating to veterans' scoring criteria; and amending RCW 41.04.010.

Referred to Committee on Government Operations & State Security.

SB 5075 by Senator Baumgartner

AN ACT Relating to making nonsubstantive changes to procurement law; amending RCW 28B.10.029, 35.57.080, 36.100.190, 39.04.190, 39.26.070, 39.26.251, 39.26.255, 39.26.271, 39.35C.050, 39.35C.090, and 43.19.1919; reenacting and amending RCW 39.26.010; and repealing RCW 43.19.520, 43.19.525, and 43.19.533.

Referred to Committee on Government Operations & State Security.

SB 5076 by Senators Hill and Hargrove

AN ACT Relating to fiscal matters; amending 2014 c 221 ss 101, 102, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 122, 125, 126, 127, 129, 130, 134, 135, 136, 140, 141, 142, 143, 146, 148, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 216, 217, 218, 219, 220, 221, 222, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 401, 402, 501, 502, 503, 504, 505, 506, 507, 508, 509, 511, 512, 513, 514, 515, 604, 605, 606, 607, 608, 609, 610, 611, 612, 614, 615, 616, 617, 619, 701, 704, 706, 708, 709, 710, 711, 801, 802, 803, and 805 (uncodified); amending 2013 2nd sp.s. c 4 ss 109, 705, 712, and 718 (uncodified); adding a new section to 2013 2nd sp.s. c 4 (uncodified); repealing 2014 c 221 s 707 (uncodified); making appropriations; and declaring an emergency.

Referred to Committee on Ways & Means.

SB 5077 by Senators Hill and Hargrove

AN ACT Relating to fiscal matters; amending RCW 15.76.115, 18.04.105, 28C.04.535, 38.52.540, 41.60.050, 43.08.190, 43.09.475, 43.79.480, 43.155.050, 43.215.090, 43.320.110, 43.325.040, 67.70.230, 77.12.203, 79.64.040, 79.105.150, and 82.08.170; creating new sections; making appropriations; providing an effective date; providing an expiration date; and declaring an emergency.

Referred to Committee on Ways & Means.

SB 5078 by Senators O'Ban, Darneille and Warnick

AN ACT Relating to investing in programs proven to promote recovery for persons with mental illness and chemical dependency disorders; amending RCW 70.47.030; and providing an effective date.

Referred to Committee on Human Services, Mental Health & Housing .

SB 5079 by Senators O'Ban, Conway and Dammeier

AN ACT Relating to notifying the military regarding child abuse and neglect allegations of families with an active military status; and reenacting and amending RCW 26.44.030.

Referred to Committee on Human Services, Mental Health & Housing .

SB 5080 by Senators Dammeier, Rolfes, Fain, Frockt, Litzow and McAuliffe

AN ACT Relating to dual credit options; amending RCW 28A.320.196, 28A.600.290, and 28B.15.821; creating new sections; and providing an expiration date.

Referred to Committee on Early Learning & K-12 Education.

SB 5081 by Senators Miloscia, Hill, Bailey, Becker and Dammeier

AN ACT Relating to increasing transparency of state government expenditures related to state employees, state vendors and other public entities; amending RCW 43.82.150, 39.26.140, 39.26.150, 39.26.200, and 39.26.210; adding a new section to chapter 43.88 RCW; and adding new sections to chapter 44.48 RCW.

Referred to Committee on Ways & Means.

SB 5082 by Senators McAuliffe, Litzow, Rolfes, McCoy, Billig, Conway, Hobbs, Kohl-Welles, Ranker and Fraser

AN ACT Relating to providing for career and technical education opportunities for elementary school students; amending RCW 28A.230.130, 28A.700.005, 28A.700.010, 28A.700.020, and 28A.700.050; adding a new section to chapter 28A.188 RCW; and making an appropriation.

Referred to Committee on Early Learning & K-12 Education.

SB 5083 by Senators McAuliffe, Litzow, Rolfes, McCoy, Billig, Darneille, Kohl-Welles, Frockt and Fraser

AN ACT Relating to the awareness of sudden cardiac arrest for students engaged in athletic activity; adding a new section to chapter 28A.345 RCW; adding a new section to chapter 28A.320 RCW; and creating new sections.

Referred to Committee on Early Learning & K-12 Education.

SB 5084 by Senators Becker, Frockt, Conway, Keiser and Mullet

AN ACT Relating to clarifying the all payer claims database to improve health care quality and cost transparency by changing certain definitions regarding data, reporting and pricing of products, responsibility of the office and lead organization, and parameters for release of information; amending RCW 43.371.010, 43.371.020, 43.371.030, 43.371.040, 43.371.050, 43.371.060, and 43.371.070; and adding a new section to chapter 43.371 RCW.

Referred to Committee on Health Care.

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SB 5085 by Senators Rolfes, Dammeier, Conway, Benton, Chase, Billig, Ranker, Hobbs, Fraser, McAuliffe and Pearson

AN ACT Relating to gold star license plates; and amending RCW 46.18.245.

Referred to Committee on Transportation.

SB 5086 by Senators Litzow, McAuliffe and Kohl-Welles

AN ACT Relating to dual credit opportunities provided by Washington state's public institutions of higher education; and amending RCW 28A.600.290 and 28A.600.310.

Referred to Committee on Early Learning & K-12 Education.

MOTION

On motion of Senator Fain, all measures listed on the Introduction and First Reading report were referred to the committees as designated.

SIGNED BY THE PRESIDENT

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

HOUSE CONCURRENT RESOLUTION NO. 4400,
HOUSE CONCURRENT RESOLUTION NO. 4402.

MOTION

At 11:37 a.m., on motion of Senator Fain, the Senate was declared to be at ease subject to the call of the President.

The Senate appeared at the Chamber doors and requested admission. The Sergeant at Arms of the House and the Sergeant at Arms of the Senate escorted President of the Senate Lieutenant Governor Brad Owen, Senator Tim Sheldon, Senator Linda Parlette and Senator Sharon Nelson to seats on the Rostrum. The Senators were invited to sit within the Chamber.

The Speaker (Representative Orwall presiding) called upon President Owen to preside.

JOINT SESSION

The President of the Senate, Lieutenant Governor Owen called the Joint Session to order. The Clerk called the roll of House members. The Clerk called the roll of Senate members. A quorum of the Legislature was present.

President Owen: "The purpose of the Joint Session is to receive the state of the state message from His Excellency, Governor Jay Inslee.

The President appointed a special committee to escort the Supreme Court Justices to the House Chamber: Representatives Gregory and Wilson, and Senators McCoy and O'Ban.

The President appointed a special committee to escort the State elected officials to the House Chamber: Representatives Peterson and Dent, and Senators Hasegawa and Angel.

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The President appointed a special committee to advise His Excellency, Governor Jay Inslee, that the joint session had assembled and to escort him to the House Chamber: Representatives Ortiz-Self and Stambaugh and Senators Jayapal and Warnick.

The Supreme Court Justices arrived, were escorted to the Floor of the House Chamber and were introduced: Chief Justice Barbara A. Madsen, and Justices Charles W. Johnson, Mary Fairhurst, Deborah Stephens, Charles Wiggins, Steven Gonzalez, Sheryl Gordon McCloud, and Mary Yu.

The State elected officials arrived, were escorted to the floor of the House and were introduced: Secretary of State Kim Wyman, Treasurer Jim McIntire, Auditor Troy Kelley, Attorney General Bob Ferguson, Superintendent of Public Instruction Randy Dorn, Insurance Commissioner Mike Kreidler and Commissioner of Public Lands Peter Goldmark.

The President introduced the special guests present in the Chambers: Mr. Erlingur Erlingsson, Charge d'Affaires from the Embassy of the Republic of Iceland, First Lady Trudy Inslee and members of Governor Inslee's family, Chairman Leonard Forsman of the Suquamish Tribe, Chairman Timothy Ballew II of the Lummi Nation, Chairwoman Fawn Sharp of the Quinault Indian Nation, Chairman Bill Iyall of the Cowlitz Indian Tribe, Vice Chair Ray Pierre of the Kalispel Tribe of Indians, Chairwoman Frances Charles of the Lower Elwha Klallam Tribe, Vice Chair Russell Hepfer of the Lower Elwha Klallam Tribe, Chairwoman Cheryle Kennedy of the Confederated Tribes of Grand Ronde, Former Governor Mike Lowry, Former Secretary of State Ralph Munro, Mayor of Seattle Ed Murray, Mayor of Marysville John Nehring, Mayor of Arlington Barb Tolbert, Mayor of Darrington Dan Rankin, President Elson Floyd of Washington State University, President Thomas Krise of Pacific Lutheran University, the President's sister Angela Owen, President and CEO Yolanda Watson Spiva of the College Success Foundation and Executive Director Simon Amiel of Washington State Mentots.

The President introduced the officers and members of the Consular Association of Washington: Andrey Yushmanov, Consul General of the Russian Federation and Dean of the Consular Corps in Washington; Masahiro Omura, Consul General of Japan; Edith St. Hilaire, Acting Consul General for Canada; Duk-ho Moon, Consul General of the Republic of Korea; Jessica Maria Reyes, Consul of the Republic of El Salvador; Eduardo Baca, Consul of the United Mexican States; Robin Twyman, Consul of the United Kingdom of Great Britain and Northern Ireland; Jon Marvin Jonsson, Honorary Consul General of the Republic of Iceland; Geir Jonsson, Honorary Vice Consul of the Republic of Iceland; Ron Masnik, Honorary Consul of the Kingdom of Belgium; Jack A. Cowan, Honorary Consul of the French Republic; Gary Furlong, Honorary Consul General of the Republic of Uzbekistan; Helen Szablya, Honorary Consul General of Hungary; Miguel Velasquez, Honorary Consul General of the Republic of Peru; Daravuth Huoth, Honorary Consul of the Kingdom of Cambodia; Victor Lapatinskas, Honorary Consul of the Republic of Lithuania; Philippe Goetschel, Honorary Consul of the Swiss Confederation; Lars Jonsson, Honorary Consul of the Kingdom of Sweden; Kim Nesselquist, Honorary Consul of the Kingdom of Norway and President of the Consular Association of Washington; Petra H. Walker, Honorary Consul of the Federal Republic of Germany; Franco Tesorieri, Honorary Consul of the Italian Republic; Rachel

Jacobsen, Honorary Consul of New Zealand; John Keane, Honorary Consul of Ireland; Pedro Augusto Leite Costa, Honorary Consul of the Federative Republic of Brazil; Wayne B. Jehlik, Honorary Consul of the Czech Republic; Teresa Indelak Davis, Honorary Consul of the Republic of Poland; Eva Johanna Kammel, Honorary Consul of the Republic of Austria; Kristina Hiukka, Honorary Consul of the Republic of Finland; Mart Kask, Emeritus Honorary Consul of the Republic of Estonia; Andy Chin, Director General of the Taipei Economic and Cultural Office; and Vassos M. Demetriou, Honorary Consul of the Republic of Cyprus.

His Excellency Governor Jay Inslee was escorted to the Rostrum and was introduced.

The flags were escorted to the rostrum by the Washington State Patrol Honor Guard. The Marysville Pilchuck High School Concert Choir sang the National Anthem. The President led the Chamber in the Pledge of Allegiance. Prayer was offered by Chaplain Joel Johnson, Oso Fire Department, Snohomish County District 25.

Chaplain Joel Johnson: "Heavenly Father, Thank you so much for the opportunity to gather here today to reflect on this past year and plan for new things ahead. We ask for your comfort, peace and strength as we continue to heal and overcome the adversities we have faced. Encourage us as we look to the future with great hope. As we begin this new year, we also ask for your guidance, direction, clarity, and wisdom in every decision made. Bless us with creativity to find new, dynamic and exciting solutions to any challenge we face and help us approach everything we do with a true servant's heart and a humble attitude. Help us to lead by serving, putting others before ourselves. Protect us from division and unite us with the common goal of leaving an amazing legacy and a better Washington State for our children and grandchildren. Help Washington continue to thrive. Be with the governor now as he prepares to speak. We ask these things in the name of Jesus, Amen."

The President introduced Governor Jay Inslee.

STATE OF THE STATE

Mr. President, Mr. Speaker, Madam Chief Justice, distinguished justices of the court, honored officials, members of the Washington State Legislature, tribal leaders, local government officials, members of the Consular Corps and my fellow Washingtonians.

Good afternoon. I want to begin today by thanking Oso chaplain Joel Johnson; the members of the Marysville Pilchuck High School Choir; my family members – especially Trudi; the 13 newest members of the Legislature who have stepped up to serve this state; and the people and communities of Washington that over the past 125 years have given us the great state we celebrate today.

I also want to mention a member of our legislative family, the late Representative Roger Freeman. He was proud to represent his community. But most of all, Roger was proud to be a father to his two children and a devoted husband to his wife, Sonya. Our thoughts are with them today.

The new representative from the 30th District is Carol Gregory, and I extend a warm welcome to her and thank her for her willingness to take on this work.

In our country's northwest corner, facing both the Pacific Ocean and the future, is the most innovative, most resourceful, most dynamic state in our nation. We're known as the Evergreen State – not only because of our prodigious forests and the verdant green of our spring wheat, but also because of our ever-present entrepreneurial zeal, our social progress and our technological genius. Washington State has remained evergreen throughout its first 125 years because in every moment of crisis, in every year of challenge, in every decade of change, Washingtonians have chosen the path that takes us forward.

We invest in ourselves. We invest in a legacy worthy of our children and grandchildren. We have done this, time and time again, with the firm conviction that our people, our communities and our economy will grow and prosper if we summon the confidence to make these investments.

Today, our state stands at another crossroads. One path leads to an economy that works for all Washingtonians, supports thriving communities and preserves a healthy environment. The other path leads to a slow erosion of our shared prosperity, a widening gap of inequality and a deterioration of our clean air and water. The choice is ours. If we rise to the challenge, as we always have, we will choose the best path for Washington.

As you know, from day one I've focused on job creation in our state, and the issues we'll talk about today – education, transportation, clean energy – all work together to build an economy that works for everyone. It should please us all to know that our economy continues to rebound. Our state has added 150,000 jobs over the past two years. But that growth has not been shared equally, either geographically or across the economic spectrum. The right path for Washington is an economy that provides opportunity for all.

We know that expanding educational opportunities, launching a transportation construction program and fighting carbon pollution will put us on the right course.

Our most fundamental commitment needs to be to the very youngest Washingtonians. We know the greatest untapped asset in the state is the potential of a 3- and 4-year-old. The latest neuroscience research at the University of Washington shows that at this age, children's minds have a tremendous capacity for learning.

Early learning is the best investment we can make in our future. That's where we start. But our success will require a continuum of education, from early learning all the way through higher education. That's why my proposal makes a \$2.3 billion investment in our children's future, including the largest-ever state investment in early learning. This means 6,000 more low-income children could attend high-quality preschools. My proposal fully funds class-size reductions in kindergarten through third grade. My proposal provides all-day kindergarten across the state. It gives our teachers their first cost-of-living allowance since 2008. It helps families struggling with the costs of higher education by freezing tuition and boosting financial aid so that 17,000 more students can get scholarships. These investments are not based on wishful thinking. They are based on a rock-solid foundation of proven strategies, established reforms and demonstrable student performance. We know what works. We know what it takes. I have visited a lot of classrooms in the past two years. And I have been continually impressed by the great teaching and innovative learning I've seen. And these opportunities must be available for all our children, at all our schools. Because let me tell you, we have whip-smart kids ready for takeoff. But the future demands a higher level of achievement.

Investing in STEM and workforce training pays off in attracting the most innovative companies on the planet. Today we can celebrate Elon Musk's announced plans to open a Space X

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engineering center in Washington with the potential to hire up to 1,000 people. We know that a child spends an average of six hours a day in the school building. We also know what children need in those other 18 hours. Every morning, they need to start the day with nutritious food in their bellies. They need a way to get to school safely. They need a coat to protect them from the elements as they get to and from school. And at night, they need a warm, safe, stable place to sleep with a roof over their heads. The budget we agree on should nurture all our students, in and out of the classroom, because we know how hard it is to educate a homeless, hungry, sick child.

Our families and our communities also need the vital services that allow them to function – nurses, mental health facilities, police officers and firefighters – the full range of services that help make Washington a great place to live and raise a family.

We've been cutting those services to balance our budget, and it's no longer working. Over the past six years, we've cut existing and projected spending in our state budget by \$12 billion. Make no mistake: We've found savings and efficiencies as well. Among other examples, we're saving an average of \$1.6 million annually on leasing costs. The Department of Social and Health Services saved \$3.5 million in energy costs in 2013 alone. And we're saving \$2 million a year in long-distance charges through a new service. We need to continue this work. But we've reached the place where multiple courts have said we cut too much or neglected to fund adequately and have now ordered us to do a better job on foster care, mental health and protecting vulnerable children.

I know some people say they haven't noticed the cuts. Let me tell you: The man handcuffed to a gurney in an emergency room due to lack of beds in a mental health ward ... he notices. The woman who was a victim of domestic violence and couldn't get emergency housing ... she notices. The college students whose tuition went up 50 percent ... they sure notice. What can seem invisible to some of us is painfully real to others. In the prosperous future we all want, we cannot leave so many people behind.

Some see the road ahead paved only with cuts to services. Some consider only revenue as options. Both camps will ultimately realize that neither view is the definitive answer. We're going to approach our work with a bold spirit of seeking solutions rather than finding excuses, and a can-do attitude of kicking aside our differences instead of kicking the can down the road.

The same is true with transportation.

Without action, there will be a 52 percent cut in the maintenance budget, and 71 bridges will become structurally deficient or functionally obsolete. Without action, commute times will continue to rise, robbing us of time with our families. Without action, our ability to move goods efficiently will be diminished.

The tragic and catastrophic landslide in Snohomish County last year reminds us that entire communities are cut off from the rest of the state when we lose transportation infrastructure.

But now imagine a transportation system that moves the entire state forward. One that improves reliability and safety, addresses congestion and maintenance, creates jobs and offers more choices.

As you know, I've been working for a balanced, multimodal transportation package since my first day in office. In December, I proposed a plan that builds on the bipartisan spirit of past efforts by offering a good-faith compromise to spark action this legislative session.

It keeps us safe by fixing our bridges, patching our roads and cleaning our air and water. It also embraces efficiency, saves time

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and money, and drives results that the public can trust through real reform. Finally, it's a plan that delivers a transportation system that truly works as a system. A system that transcends our old divides and rivalries. No more east versus west, urban versus rural or roads versus transit.

Now I welcome your suggestions for improvement. But the state cannot accept a continued failure to move on transportation.

Let's get this done.

There's another thing my transportation plan does. It institutes a carbon pollution charge that would have our largest polluters pay rather than raising the gas tax on everyone. Under my plan, it's the polluters who pay.

We face many challenges, but it is the growing threat of carbon pollution that can permanently change the nature of Washington as we know it.

It's already increasing the acidity of our waters, increasing wildfires and increasing asthma rates in our children, particularly in low-income communities and communities of color.

We have a moral obligation to act. Our moral duty is to protect a birthright. Future Washingtonians deserve a healthy Washington.

Every generation has the duty to pass on healthy air and water to the next. And when we do, we will know that although we are a small part of the world, we are 7 million Washingtonians strong who stand for preserving the grandeur of our state. If we don't stand up for the health of the state, who will?

The people who are less than 1 percent of the world are leading the world in aerospace, leading the world in software and now can lead the world in clean energy, because that's who we are.

What we lack in numbers, we more than make up for in our innovative spirit.

And we are not acting alone. By next year, countries and states that are responsible for half the world's carbon pollution will have instituted limits on those emissions. And when we act together with other states and nations, we can do something even bigger. By locking arms with Oregon, California and British Columbia through the Pacific Coast Collaborative, we become a region of 53 million people comprising the world's fifth-largest economy.

Won't it be great when the West Coast leads, while Washington DC is stymied by gridlock?

I am pleased there is a growing consensus that it is time to act. We must meet the carbon pollution limits enacted by this body in 2008. I have proposed a comprehensive solution that caps carbon emissions, creates incentives for clean technology and transportation, invests in energy efficiency and makes our own government operations more efficient.

For all we do here together in the next few months, for all our fiscal woes, for all our short-term demands, we know that the most enduring legacy we can leave is a healthy, clean, beautiful Evergreen State.

I will not, and in the deepest part of my heart I hope you will not allow this threat to stand.

We also know the challenge of carbon pollution brings great economic opportunities for our state.

I've seen companies in Washington moving full steam ahead to seize these opportunities and create jobs: At Itek in Bellingham, which is not only one of our state's largest solar panel manufacturers, but produces the most powerful solar panels in the industry. At UniEnergy in Mukilteo, where its groundbreaking vanadium flow battery is leading the way in the field of storage technologies for renewable energy. And at MacDonald-Miller, which is not only reducing the carbon

footprint of commercial buildings, but last year added 300 jobs to our state.

We are leaders in this state. When we act, others follow. Let's shape that action together. Let's test our ideas. Let's fashion a Washington carbon pollution action plan suited to the genius and leadership capabilities of our great state.

We can do this. It's already been done successfully in many other places, including 10 states and 35 countries.

I can't tell you today what our joint efforts will produce, but I can say that after six years of no progress on this front, Washingtonians deserve action on carbon pollution.

In developing my budget, I took the same approach of looking to tested solutions in revenue proposals this year.

Here's the sad truth: Washington has the nation's most unfair tax system. The nation's most unfair tax system.

Our lowest-paid workers pay nearly 17 percent of their income in taxes while the top 1 percent pay less than 3 percent. A new teacher pays three times more in taxes as a percentage than our wealthiest citizens.

We know there are many forces driving inequality, but we can make policy choices that move us toward an economy that works for all Washingtonians. We can work toward a fairer tax system, and we should.

That's why I am proposing to eliminate five tax loopholes that no longer measure up when compared with educating our kids.

That's why we're asking the wealthiest Washingtonians to do a little more. I am proposing a new capital gains tax on the sale of stocks, bonds and other assets. It is estimated that less than 1 percent of the state's taxpayers would be affected. This exempts any capital gains on retirement accounts, homes, farms and forestry.

As I mentioned, this is new to us, but certainly not a new concept nationally. Forty-one states have this system already.

And here's something else we can do to bring a modicum of fairness to our tax system – a system that relies so heavily on sales tax revenue and affects our working families so disproportionately. I am proposing we fund the Working Families Tax Rebate, which was passed by the Legislature in 2008 but never funded. This could help more than 500,000 working families in Washington, mostly in rural and economically struggling counties.

I've always believed that if you work full time, you should be able to provide for your family's most basic needs. That's why I will continue to work with legislators to help working families through policies such as a minimum wage increase and paid sick leave.

So we begin this 64th legislative session at a crossroads.

The time of recession and hollowing out is behind us. It is now time for reinvestment. I have a deep and abiding belief in our ability to lead the world and to build on our first 125 years.

That is why we should choose the upward path that leads to more opportunity, greater prosperity and a better quality of life for everyone.

Let's walk this path together.

We can make this choice with the full confidence that there are no better people to invest in than Washingtonians, there is no better place to invest in than Washington and there is no better time to invest than 2015.

So let's get to work.

The President thanked the Governor for his remarks and asked the special committee to escort Governor Inslee from the House Chamber.

The President asked the special committee to escort the State elected officials from the House Chamber.

The President asked the special committee to escort the Supreme Court Justices from the House Chamber.

On motion of Representative Sullivan, the Joint Session was dissolved. The Speaker (Representative Orwall presiding) assumed the chair.

The Sergeant at Arms of the House and the Sergeant at Arms of the Senate escorted President of the Senate Owen, Senator Tim Sheldon, Senator Linda Parlette, Senator Sharon Nelson and members of the Washington State Senate from the House Chamber.

The Senate was called to order at 12:56 p.m. by President Owen.

MOTION

At 12:57 p.m., on motion of Senator Fain, the Senate adjourned until 10:00 a.m. Wednesday, January 14, 2015.

BRAD OWEN, President of the Senate

HUNTER G. GOODMAN, Secretary of the Senate

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